



MINUTES

of the meeting of the Finance and Employment Committee held on Wednesday 28 November 2018

Present: - Mr James Caird (Chair)
Mr Igor Andronov
Mr Ian Peake (Principal)

In Attendance: - Mr Edward Gwillim (Director of Finance)
Mrs Debra Baldwin (Director of Personnel)
Mrs Linda Watkins (Clerk to the Corporation)

The meeting was quorate as three Members were present.

1. **Apologies for Absence**
Mrs Jo Ricketts (Deputy Principal)
2. **Declaration of Interests**
No interests declared.
3. **I. Minutes of the Last Meeting**
The Chair signed the minutes of the meeting held on 27 June 2018 as a true and accurate record subject to a minor grammatical error.
II. Matters Arising from the Minutes
 - A. The Director of Personnel confirmed that the contract with FE jobs had not been renewed. The contract with College Jobs had been renegotiated to include North Shropshire College.
 - B. Staffs' business insurance covers staff who provide transport for students using their own car.
 - C. Student numbers would be added to future accident reports which had been mistakenly removed.
4. **Annual Employment Reports 2017/18**
The Director of Personnel presented the following reports: -
 - I. Health and Safety Report**
 - A. There had been 1 RIDDOR accident; this was a student on public services course who had broken their ankle. There were 87 recorded accidents during the year. Peaks remain lower than previous years but showed more incidents at the start of the year when students enrol; this was a pattern each year. Some students attend College following an injury sustained at home which is recorded and treated at College.
 - B. Health and safety walks took place involving a senior manager. These will continue with participation being

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- spread amongst senior managers.
- C. Fire evacuations have been held at each campus.
- D. A Governor asked about the number of first aiders as there were fewer in Hereford Campus following staff changes. Additional staff are being trained as first aiders.

II. Staff Report

- A. The College employed 538 staff which equated to 389 FTE staff as at 31 July 2018, an increase of 5 compared to the same time last year. The Director of Personnel will provide an update on the headcount at the next meeting following the merger with NSC.
- B. Information was presented on staff turnover, groups and profiles including breakdowns by age range, gender, ethnicity, length of service and staff with disabilities. In summary the College had an older workforce with more staff in the category age 51-60 years. The gender profile showed that there were more female staff. Ethnicity was reflective of the two counties with no significant changes since last year. The Single Equality Scheme would include comparisons with census data in the counties.
- C. The College employs 9 members of staff who have declared themselves as having a disability. There was a question about support for staff with disabilities who do not declare this noting that line managers would ascertain if further support was required.
- D. The absence rate was 3.8% showing a marginal decrease from the previous year which is slightly lower than AoC's reported industry rate of 4.12%.
- E. The College's gender pay gap information was presented which mirrored the sector. The College pays staff the same rate for similar jobs regardless of gender.
- F. IR35 rules are applied to any self-employed person the College engages.
- G. Apprenticeship levy is in place with apprentices appointed in areas where required. Where possible the College will use the levy for provision of its teacher training.
- H. HLC and NSC use different payroll systems which will be reviewed to appoint one provider.

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III. Staff Development Report

- A. The budget had been reduced to £30,615 for staff development which provided for 3000 individual training records delivering 7261 hours.
- B. Training and development had been focused on meeting both individual and generic training needs. Online training was undertaken by staff in some areas.

The Committee agreed: -

- To note the positive annual reports for health and safety, staff and staff development presented by the Director of Personnel.

5. Health and Safety Committee minutes

The minutes of the meetings held on 27 June and 24 October 2018 were noted.

6. Members' report and financial statements for the year ended 31 July 2018 (draft)

The Director of Finance presented the draft report which had been prepared following the Casterbridge Model. The Audit Committee would recommend the financial statements to the Board for approval. These were provided for HLC and NSC. HLC included Keith St Peters Ltd which, although no longer trading, was not dormant.

Governors were referred to the statements of comprehensive income particularly the financial outturn before the FRS 17 charge. In addition the balance sheet was strong.

NSC financial statements to 31 October 2018 showed a significant trading loss.

The Committee agreed: -

- To note the Members' Report and Financial Statements to 31 July 2018 for HLC and to 31 October 2018 for NSC

7. Finance Reports

I. Management Accounts from 1 August to 31 October 2018

HLC management accounts:

- Overall there was an operating surplus of £2,746K which is £262K better than budget in the first three months of the year. Significant changes to forecast cannot be predicted until generation of the RO4 funding return and following more than one full teaching month of hourly paid lecturers' claims paid.
- Fee income will become apparent later in the year.
- Payroll is £92K less than budget at this early stage in the year.
- Restructuring costs have exceeded budget including redundancy costs which had been expected to be completed in the year to 31 July 2018.
- Admin service includes costs for the merger which will be funded.
- Maternity leave cover is higher than budget this year resulting in higher agency costs.
- Contributions from faculties are largely running to budget with minor shortfalls in two faculties.
- Financial objectives all exceeded targets and remained positive.
- The balance sheet remained strong.
- The cash flow will change significantly taking account of the merger with NSC.

NSC management accounts:

- The bottom line had improved compared to budget by £220K following a reduction to pay costs in the first few months of the year.
- Farm costs at Walford to date are -£135K which largely

related to a stock valuation and buying feed for the winter.

II. Capital Projects Update

There are currently no significant capital projects at HLC. A mezzanine was added into brickwork during the summer costing c£50,000. The College has engaged Tenant to manage the tendering process to purchase an MIS system using CPC's framework. This would be purchased by March 2019.

Professional services have been engaged for a project to develop Walford Campus including student spaces and a new refectory at a cost of £1.2.

The scheme for new signage and painting has commenced at Oswestry and Walford. The College websites are being consolidated.

IV. Treasury Management Annual Report 2017/18

This item was deferred.

V. Sub contracting policy

The Board are required to approve the sub-contracting policy and confirm approval of the level of sub-contracting of £650,000 in the current financial year based on for provision delivered by HLC.

VI. ESFA College's Financial Plan 2018/20

This was noted. It was possible that the actual EBITDA for the year ending 31 July 2018 could increase which would move the College from good to outstanding in 2018/19.

The Board agreed: -

- To note HLC's and NSC's management accounts to 31 October 2018
- To recommend that the Board approve the sub-contracting policy for HLC
- To defer the Treasury Management Annual Report 2017/18
- To note ESFA correspondence regarding the College plan 2018/20

8. Recruitment and Selection Policy

The Director of Personnel outlined changes to the policy which were accepted.

9. Any other Business

10. Date and time of next meeting

The next meeting was arranged for Wednesday 27 March 2019 commencing at 12.30 pm.

Signed as a true record of proceedings

Chair: **Date:**.....

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